



SEALED

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7 **UNITED STATES DISTRICT COURT**
8 **DISTRICT OF NEVADA**

9 **-000-**

10 UNITED STATES OF AMERICA,
Plaintiff,

11 vs.

12 SERGIO BARAJAS,
13 ALAN CASSELL,
14 ELENA MILLNER,
15 BENJAMIN STUELKE,
16 MICHELLE ACOSTA,
a/k/a "Michelle Mullens"
17 ART ACOSTA, and
18 ERNESTO GARCIA

19 Defendants.

CASE NO: 2:17-cr- 316

**SEALED
CRIMINAL INDICTMENT**

VIOLATIONS:

18 U.S.C. §§ 371; 666 - Conspiracy to
Commit Bribery Concerning Programs
Receiving Federal Funds;

18 U.S.C. § 666 - Bribery Concerning
Programs Receiving Federal Funds;

18 U.S.C. § 1344 – Bank Fraud;

18 U.S.C. § 2 – Aiding and Abetting

20 **THE GRAND JURY CHARGES THAT:**

21 **INTRODUCTORY ALLEGATIONS**

22 At times material to this Indictment:
23
24

FILED	RECEIVED
ENTERED	SERVED ON
COUNSEL/PARTIES OF RECORD	
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CLERK US DISTRICT COURT DISTRICT OF NEVADA	
BY: _____	DEPUTY _____

1 1. The National Community Stabilization Trust (NCST) is a non-profit
2 Nevada corporation created in 2008 in response to the national mortgage-housing
3 foreclosure crisis. In September of 2010, the United States Department of Housing
4 and Urban Development (HUD) announced the National First Look Program, a first
5 ever public-private partnership agreement between HUD and the NCST. The
6 NCST and HUD entered into a memorandum of understanding detailing the joint
7 public private partnership, which aimed at improving the effectiveness of HUD's
8 policies and programs carried out under Neighborhood Stabilization Program (NSP)
9 through the First Look Program, and improving opportunities for NSP grantees to
10 purchase foreclosures based on the NCST's relationships with financial institutions.
11 Financial institutions such as Bank of America, Citibank, and Chase Bank made
12 their foreclosures available through the NCST for approved non-profit buyers to
13 gain access to the homes on a "First Look" basis -- before owner-occupiers or
14 investors, and at a discounted price. The NCST approved the non-profits for
15 participation in the NCST First Look program as well as performed oversight of the
16 resale of the homes.

18 2. During each consecutive twelve month fiscal year relevant to this
19 Indictment, the NCST received benefits in excess of \$10,000.00 under a Federal
20 program involving a grant, contract, subsidy, loan, guarantee, insurance, and other
21 form of Federal assistance¹.

24 ¹ The fiscal year begins on the 1st of October of the prior year and ends on the 30th of September of the year in which it ends.

3. Beginning on or about April of 2009 and continuing through on or about September of 2015, **SERGIO BARAJAS (defendant BARAJAS)** was a salaried employee of the NCST. Beginning on or about October of 2010 and continuing through on or about September of 2015, **defendant BARAJAS** was Director of Community Development for the NCST. His duties as Director of Community Development included bringing on new NCST buyers, developing NCST seller guidelines, and being a subject matter expert on neighborhood stabilization and the HUD NSP and NCST First Look programs. **Defendant BARAJAS** also approved non-profits for participation in the NCST First Look Program, participated in the determination of which non-profit was awarded NCST homes, and performed oversight of the resale of NCST homes.

COUNT ONE

Conspiracy to Commit Bribery Concerning Programs Receiving Federal Funds (18 U.S.C. §§ 371; 666) **(DEFENDANTS BARAJAS AND CASSELL)**

1. The allegations set forth in the Introductory Allegations of this Indictment are re-alleged and incorporated herein as if set forth in full.

2. From on or about December of 2011, and continuing through on or about October of 2012, in the State and Federal District of Nevada and elsewhere, **defendant BARAJAS and ALAN CASSELL (defendant CASSELL)**, the defendants, and others known and unknown to the Grand Jury, did combine, conspire, confederate and agree to commit offenses against the United States in violation of Title 18, United States Code, Section 666, to wit:

1 a. **defendant BARAJAS**, being an agent of the NCST, an organization that
 2 received more than \$10,000.00 of federal funds during each twelve month fiscal
 3 year alleged herein, did corruptly solicit and demand for the benefit of any
 4 person, and solicit, demand, accept and agree to accept, a thing of value from
 5 a person, intending to be influenced and rewarded in connection with a
 6 transaction and series of transactions of the NCST involving \$5,000 or more;
 7 and

8 b. **defendant CASSELL** did corruptly give, offer, and agree to give a thing of
 9 value to any person intending to influence and reward **defendant BARAJAS**
 10 in connection with a transaction and series of transactions of the NCST
 11 involving \$5,000 or more.

12 **Objects of the Conspiracy**

13 3. The purpose of the conspiracy was for **defendants BARAJAS and**
 14 **CASSELL** and their co-conspirators to unlawfully enrich themselves through the
 15 purchase and resale of NCST foreclosed homes. **Defendant BARAJAS** sold his
 16 influence at the NCST to **defendant CASSELL** and their co-conspirators to
 17 accelerate the NCST First Look approval process, to grant access to different housing
 18 markets/regions, to approve the purchase of NCST homes, and to oversee compliance
 19 with NCST and HUD-NSP guidelines in the resale of NCST homes.

20 **Manner and Means of the Conspiracy**

21 4. The objects of the conspiracy were carried out, in substance, by
 22 **defendants BARAJAS and CASSELL**, and others known and unknown to the
 23
 24

1 Grand Jury, using the following manner and means of carrying out the conspiracy,
 2 specifically:

3 a. **defendant CASSELL** did pay money to **defendant BARAJAS'** personal
 4 and business accounts using his personal accounts and the business
 5 accounts of Ignition Ventures and Heartland Coalition, intending to gain
 6 influence at the NCST and access to NCST homes, and to reward **defendant**
 7 **BARAJAS**.

8 b. **defendant BARAJAS** did accept money from **defendant CASSELL** in
 9 exchange for his influence at the NCST in the approval process, access to
 10 NCST homes, and oversight over the resale of NCST homes.

11 **Acts In Furtherance of the Conspiracy**

12 5. In furtherance of the conspiracy and to accomplish its objects,
 13 **defendants BARAJAS and CASSELL**, together and with others known and
 14 unknown to the Grand Jury, committed and willfully caused others to commit the
 15 following overt acts, among others, within the District of Nevada and elsewhere:

16 **Overt Act #1:** **defendant BARAJAS** did, in addition to other acts, attempt to
 17 and commit the conduct alleged below in Counts 2-8;

18 **Overt Act #2:** **defendant CASSELL** did, in addition to other acts, attempt to
 19 and commit the conduct alleged below in Count 9;

20 **Overt Act #3:** **defendant BARAJAS** approved Heartland Coalition's
 21 application to participate in the NCST First Look Program on or about December of
 22 2011;
 23
 24

All in violation of Title 18, United States Code, Sections 371 and 666.

**Conspiracy to Commit Bribery Concerning Programs Receiving Federal Funds
(18 U.S.C. §§ 371; 666)
(DEFENDANTS BARAJAS, MILLNER, and A. ACOSTA)**

2. From on or about November of 2011, and continuing through on or about May of 2014, in the State and Federal District of Nevada and elsewhere, **defendant BARAJAS, ELENA MILLNER (defendant MILLNER), and ART ACOSTA (defendant A. ACOSTA)**, the defendants, and others known and unknown to the Grand Jury, did combine, conspire, confederate and agree to commit offenses against the United States in violation of Title 18, United States Code, Section 666, to wit:

1 a. defendant **BARAJAS**, being an agent of the NCST, an organization that
 2 received more than \$10,000.00 of federal funds during each twelve month fiscal
 3 year alleged herein, did corruptly solicit and demand for the benefit of any
 4 person, and solicit, demand, accept and agree to accept, a thing of value from
 5 a person, intending to be influenced and rewarded in connection with a
 6 transaction and series of transactions of the NCST involving \$5,000 or more;
 7 and

8 b. defendants **MILLNER** and **A. ACOSTA** did corruptly give, offer, and
 9 agree to give a thing of value to any person intending to influence and reward
 10 defendant **BARAJAS** in connection with a transaction and series of
 11 transactions of the NCST involving \$5,000 or more.

12 **Objects of the Conspiracy**

13 3. The purpose of the conspiracy was for defendants **BARAJAS**,
 14 **MILLNER**, and **A. ACOSTA**, and their co-conspirators to unlawfully enrich
 15 themselves through the purchase and resale of NCST foreclosed homes. Defendant
 16 **BARAJAS** sold his influence at the NCST to defendants **MILLNER** and **A.**
 17 **ACOSTA** and their co-conspirators to accelerate the NCST First Look approval
 18 process, to grant access to different housing markets/regions, to approve the purchase
 19 of NCST homes, and to oversee compliance with NCST and HUD-NSP guidelines in
 20 the resale of NCST homes.

22 **Manner and Means of the Conspiracy**

23 4. The objects of the conspiracy were carried out, in substance, by
 24 defendants **BARAJAS**, **MILLNER**, and **A. ACOSTA**, and others known and

1 unknown to the Grand Jury, using the following manner and means of carrying out
2 the conspiracy, specifically:

3 a. **defendants MILLNER and A. ACOSTA** did pay money to **defendant**
4 **BARAJAS'** personal and business accounts, and to one another using their
5 personal accounts and the business accounts of Positive Housing Equations and
6 Alliance for Revitalized Communities, intending to gain influence at the NCST
7 and access to NCST homes, and to reward **defendant BARAJAS**.

8 b. **defendant BARAJAS** did accept money from **defendants MILLNER and**
9 **A. ACOSTA** in exchange for his influence at the NCST in the approval process,
10 access to NCST homes, and oversight over the resale of NCST homes.

11 **Acts In Furtherance of the Conspiracy**

12 5. In furtherance of the conspiracy and to accomplish its objects,
13 **defendants BARAJAS, MILLNER, and A. ACOSTA**, together and with others
14 known and unknown to the Grand Jury, committed and willfully caused others to
15 commit the following overt acts, among others, within the District of Nevada and
16 elsewhere:
17

18 **Overt Act #1:** **defendant BARAJAS** did, in addition to other acts, attempt to
19 and commit the conduct alleged in Count 1 and below in Counts 3-8;

20 **Overt Act #2:** **defendant MILLNER** did, in addition to other acts, attempt to
21 and commit the conduct alleged below in Count 10;

22 **Overt Act #3:** **defendant A. ACOSTA** did, in addition to other acts, attempt
23 to and commit the conduct alleged below in Counts 3; 10; and 12;
24

1 Overt Act #4: during the period of on or about February 1, 2011 through on or
 2 about May 29, 2014, Alliance for Revitalized Communities received approximately
 3 one hundred and sixty-seven NCST homes and made approximately \$13,000,000.00
 4 from the resale of those homes. Alliance for Revitalized Communities is owned by
 5 Positive Housing Equations and Presidio Realty Advisors. **Defendants MILLNER**
 6 **and A. ACOSTA** are business partners/owners of Positive Housing Equations;

7 Overt Act #5: during the period of on or about November 1, 2011 through on or
 8 about May 29, 2014, **defendants MILLNER and A. ACOSTA**, d/b/a Positive
 9 Housing Equations, paid **defendant BARAJAS** approximately \$149,828.17. The
 10 checks written on the Positive Housing Equations' business bank account of
 11 **defendants MILLNER and A. ACOSTA** were deposited into **defendant**
 12 **BARAJAS'** personal and business bank accounts. **Defendants MILLNER and A.**
 13 **ACOSTA** paid the monies to **defendant BARAJAS** just prior to purchasing NCST
 14 homes or after the homes were resold;

15 All in violation of Title 18, United States Code, Sections 371 and 666.

16 COUNT THREE

17 Conspiracy to Commit Bribery Concerning Programs Receiving Federal Funds
 18 (18 U.S.C. §§ 371; 666)
 19 **(DEFENDANTS BARAJAS, STUELKE, M. ACOSTA, A. ACOSTA, and**
 20 **GARCIA)**

21 1. The allegations set forth in the Introductory Allegations of this
 22 Indictment are re-alleged and incorporated herein as if set forth in full.

23 2. From on or about April of 2013, and continuing through on or about May
 24 of 2014, in the State and Federal District of Nevada and elsewhere, **defendant**

1 **BARAJAS, BENJAMIN STUELKE (defendant STUELKE), MICHELLE**
 2 **ACOSTA (defendant M. ACOSTA), defendant A. ACOSTA, and ERNESTO**
 3 **GARCIA (defendant GARCIA), the defendants, and others known and unknown**
 4 **to the Grand Jury, did combine, conspire, confederate and agree to commit offenses**
 5 **against the United States in violation of Title 18, United States Code, Section 666, to**
 6 **wit:**

7 a. **defendant BARAJAS, being an agent of the NCST, an organization that**
 8 **received more than \$10,000.00 of federal funds during each twelve month fiscal**
 9 **year alleged herein, intending to be influenced and rewarded in connection**
 10 **with a transaction and series of transactions of the NCST involving \$5,000 or**
 11 **more; and**

12 b. **defendants STUELKE, M. ACOSTA, A. ACOSTA, and GARCIA did**
 13 **corruptly give, offer, and agree to give a thing of value to any person intending**
 14 **to influence and reward defendant BARAJAS in connection with a transaction**
 15 **and series of transactions of the NCST involving \$5,000 or more.**

16
 17 **Objects of the Conspiracy**

18 3. The purpose of the conspiracy was for **defendants BARAJAS,**
 19 **STUELKE, M. ACOSTA, A. ACOSTA, and GARCIA** and their co-conspirators to
 20 **unlawfully enrich themselves through the purchase and resale of NCST foreclosed**
 21 **homes. Defendant BARAJAS sold his influence at the NCST to defendants**
 22 **STUELKE, M. ACOSTA, A. ACOSTA, and GARCIA** and their co-conspirators to
 23 **accelerate the NCST First Look approval process, to grant access to different housing**
 24

1 markets/regions, to approve the purchase of NCST homes, and to oversee compliance
2 with NCST and HUD-NSP guidelines in the resale of NCST homes.

3 **Manner and Means of the Conspiracy**

4 4. The objects of the conspiracy were carried out, in substance, by
5 defendants **BARAJAS, STUELKE, M. ACOSTA, A. ACOSTA, and GARCIA**, and
6 others known and unknown to the Grand Jury, using the following manner and
7 means of carrying out the conspiracy, specifically:

8 a. defendants **STUELKE, M. ACOSTA, A. ACOSTA, and GARCIA** did pay
9 money to defendant **BARAJAS**' personal and business accounts, and to one
10 another using their personal accounts and the business accounts of
11 HomeStrong USA, 33 LLC, and Fine Line Investments, intending to gain
12 influence at the NCST and access to NCST homes, and to reward defendant
13 **BARAJAS**.

14 b. defendant **BARAJAS** did accept money from defendants **STUELKE, M.**
15 **ACOSTA, A. ACOSTA, and GARCIA** in exchange for his influence at the
16 NCST in the approval process, access to NCST homes, and oversight over the
17 resale of NCST homes.
18

19 **Acts In Furtherance of the Conspiracy**

20 5. In furtherance of the conspiracy and to accomplish its objects,
21 defendants **BARAJAS, STUELKE, M. ACOSTA, A. ACOSTA, and GARCIA**,
22 together and with others known and unknown to the Grand Jury, committed and
23 willfully caused others to commit the following overt acts, among others, within the
24 District of Nevada and elsewhere:

1 Overt Act #1: **defendant BARAJAS** did, in addition to other acts, attempt to
2 and commit the conduct alleged in Counts 1-2 and below in Counts 4-8;

3 Overt Act #2: **defendant STUELKE** did, in addition to other acts, attempt to
4 and commit the conduct alleged below in Counts 11-14;

5 Overt Act #3: **defendant M. ACOSTA** did, in addition to other acts, attempt
6 to and commit the conduct alleged below in Count 12;

7 Overt Act #4: **defendant A. ACOSTA** did, in addition to other acts, attempt
8 to and commit the conduct alleged in Count 2 and below in Counts 10 and 12;

9 Overt Act #5: **defendant GARCIA** did, in addition to other acts, attempt to
10 and commit the conduct alleged below in Counts 12-14;

11 Overt Act #6: on April 11, 2013, **defendant STUELKE**, using his personal
12 bank account wrote a check in the amount of \$5,100.00 to **defendant BARAJAS**. On
13 December 11, 2013, **defendant STUELKE** using a business bank account of
14 HomeStrong USA, wrote a check in the amount of \$15,700.00 to **defendant**
15 **BARAJAS**. On May 16, 2014, **defendant STUELKE** using a business bank account
16 of HomeStrong USA, wrote a check in the amount of \$14,000.00 to **defendant**
17 **BARAJAS**.

18 Overt Act #7: during the period of on or about June 28, 2013 through on or
19 about May of 2014, on three separate NCST properties sold to HomeStrong USA, to
20 wit: 8626 Stark St., Riverside, CA; 25474 26th St., San Bernardino, CA; and 782 W.
21 23rd St., San Bernardino, CA, **defendant STUELKE**, d/b/a HomeStrong USA, wrote
22 checks to **defendant GARCIA**, d/b/a Fine Line Investments, the purported realtor
23 on each of the transactions, for an amount totaling approximately \$193,763.13.
24

1 Defendant GARCIA wrote checks to defendants A. ACOSTA and M. ACOSTA,
 2 d/b/a 33 LLC, for an amount totaling approximately \$73,347.81, who ultimately wrote
 3 checks to defendant BARAJAS' business account for an amount totaling
 4 approximately \$28,488.77, all in an effort to conceal the money ultimately paid to
 5 defendant BARAJAS on each of the NCST property transactions awarded to
 6 HomeStrong USA by the NCST.

7 All in violation of Title 18, United States Code, Sections 371 and 666.

8 **COUNT FOUR**

9 Bribery Concerning Programs Receiving Federal Funds
 10 (18 U.S.C. §666(a)(1)(B))
 11 (DEFENDANT BARAJAS)

12 1. The allegations set forth in the Introductory Allegations and Count One
 13 of this Indictment are re-alleged and incorporated herein as if set forth in full.

14 2. From on or about December of 2011, and continuing through on or about
 15 October 3, 2012, in the State and Federal District of Nevada and elsewhere,
 16 defendant BARAJAS, being an agent of the NCST, an organization that received
 17 more than \$10,000.00 of federal funds during each twelve month fiscal year beginning
 18 on October 1, 2011 and ending on September 30, 2013, did corruptly solicit and
 19 demand for the benefit of any person, and solicit, demand, accept and agree to accept
 20 a thing of value from defendant CASSELL, d/b/a Heartland Coalition, intending to
 21 be influenced and rewarded in connection with a transaction and series of
 22 transactions of the NCST involving \$5,000 or more.

23 All in violation of Title 18, United States Code, Section 666(a)(1)(B).

COUNT FIVE

**Bribery Concerning Programs Receiving Federal Funds
(18 U.S.C. §666(a)(1)(B))
(DEFENDANT BARAJAS)**

1. The allegations set forth in the Introductory Allegations and Count Two of this Indictment are re-alleged and incorporated herein as if set forth in full.

2. From on or about November of 2011, and continuing through on or about May 29, 2014, in the State and Federal District of Nevada and elsewhere, **defendant BARAJAS**, being an agent of the NCST, an organization that received more than \$10,000.00 of federal funds during each twelve month fiscal year beginning on October 1, 2011 and ending on September 30, 2014, did corruptly solicit and demand for the benefit of any person, and solicit, demand, accept and agree to accept a thing of value from **defendants MILLNER and A. ACOSTA**, d/b/a Positive Housing Equations, intending to be influenced and rewarded in connection with a transaction and series of transactions of the NCST involving \$5,000 or more.

All in violation of Title 18, United States Code, Section 666(a)(1)(B).

COUNT SIX

**Bribery Concerning Programs Receiving Federal Funds
(18 U.S.C. §666(a)(1)(B))
(DEFENDANT BARAJAS)**

1. The allegations set forth in the Introductory Allegations of this Indictment are re-alleged and incorporated herein as if set forth in full.

2. From on or about May 23, 2013, and continuing through on or about July 16, 2014, in the State and Federal District of Nevada and elsewhere, **defendant BARAJAS**, being an agent of the NCST, an organization that received more than

1 \$10,000.00 of federal funds during each twelve month fiscal year beginning on
2 October 1, 2012 and ending on September 30, 2014, did corruptly solicit and demand
3 for the benefit of any person, and solicit, demand, accept and agree to accept a thing
4 of value from "G.B.," d/b/a GRB Holdings, intending to be influenced and rewarded in
5 connection with a transaction and series of transactions of the NCST involving \$5,000
6 or more.

7 All in violation of Title 18, United States Code, Section 666(a)(1)(B).

8 **COUNT SEVEN**

9 Bribery Concerning Programs Receiving Federal Funds
10 (18 U.S.C. §666(a)(1)(B))
11 **(DEFENDANT BARAJAS)**

12 1. The allegations set forth in the Introductory Allegations and Count
13 Three of this Indictment are re-alleged and incorporated herein as if set forth in full.

14 2. From on or about April 11, 2013, and continuing through on or about
15 May 19, 2014, in the State and Federal District of Nevada and elsewhere, defendant
16 **BARAJAS**, being an agent of the NCST, an organization that received more than
17 \$10,000.00 of federal funds during each twelve month fiscal year beginning on
18 October 1, 2012 and ending on September 30, 2014, did corruptly solicit and demand
19 for the benefit of any person, and solicit, demand, accept and agree to accept a thing
20 of value from defendant **STUELKE**, intending to be influenced and rewarded in
21 connection with a transaction and series of transactions of the NCST involving \$5,000
22 or more.

1 All in violation of Title 18, United States Code, Section 666(a)(1)(B).

2 **COUNT EIGHT**

3 Bribery Concerning Programs Receiving Federal Funds
4 (18 U.S.C. §666(a)(1)(B))
(DEFENDANT BARAJAS)

5 1. The allegations set forth in the Introductory Allegations and Count
6 Three of this Indictment are re-alleged and incorporated herein as if set forth in full.

7 2. On or about October 25, 2013 and continuing through on or about March
8 14, 2014, in the State and Federal District of Nevada and elsewhere, **defendant**
9 **BARAJAS**, being an agent of the NCST, an organization that received more than
10 \$10,000.00 of federal funds during the twelve month fiscal year beginning on October
11 1, 2013 and ending on September 30, 2014, did corruptly solicit and demand for the
12 benefit of any person, and solicit, demand, accept and agree to accept a thing of value
13 from **defendants M. ACOSTA and A. ACOSTA, d/b/a 33 LLC**, intending to be
14 influenced and rewarded in connection with a transaction and series of transactions
15 of the NCST involving \$5,000 or more.

16 All in violation of Title 18, United States Code, Section 666(a)(1)(B).

17 **COUNT NINE**

18 Bribery Concerning Programs Receiving Federal Funds
19 (18 U.S.C. §666(a)(2))
(DEFENDANT CASSELL)

20 1. The allegations set forth in the Introductory Allegations and Count One
21 of this Indictment are re-alleged and incorporated herein as if set forth in full.

22 2. From on or about December of 2011, and continuing through on or about
23 October 3, 2012, in the State and Federal District of Nevada and elsewhere,
24

1 **defendant CASSELL**, d/b/a Heartland Coalition, did corruptly give, offer, and agree
2 to give a thing of value to any person intending to influence and reward **defendant**
3 **BARAJAS**, being an agent of the NCST, an organization that received more than
4 \$10,000.00 of federal funds during each twelve month fiscal year beginning on
5 October 1, 2011 and ending on September 30, 2013, in connection with a transaction
6 and series of transactions of the NCST involving \$5,000 or more.

7 All in violation of Title 18, United States Code, Section 666(a)(2).

8 **COUNT TEN**

9 Bribery Concerning Programs Receiving Federal Funds
10 (18 U.S.C. §666(a)(2) and 2)
11 **(DEFENDANTS MILLNER and A. ACOSTA)**

12 1. The allegations set forth in the Introductory Allegations and Count Two
13 of this Indictment are re-alleged and incorporated herein as if set forth in full.

14 2. From on or about November of 2011, and continuing through on or about
15 May 29, 2014, in the State and Federal District of Nevada and elsewhere,
16 **defendants MILLNER and A. ACOSTA**, d/b/a Positive Housing Equations and
17 Alliance for Revitalized Communities, did corruptly give, offer, and agree to give a
18 thing of value to any person intending to influence and reward **defendant**
19 **BARAJAS**, being an agent of the NCST, an organization that received more than
20 \$10,000.00 of federal funds during each twelve month fiscal year beginning on
21 October 1, 2011 and ending on September 30, 2014, in connection with a transaction
22 and series of transactions of the NCST involving \$5,000 or more.

23 All in violation of Title 18, United States Code, Sections 666(a)(2) and 2.

COUNT ELEVEN

**Bribery Concerning Programs Receiving Federal Funds
(18 U.S.C. §666(a)(2))
(DEFENDANT STUELKE)**

1. The allegations set forth in the Introductory Allegations and Count Three of this Indictment are re-alleged and incorporated herein as if set forth in full.

2. From on or about April 11, 2013, and continuing through on or about May 19, 2014, in the State and Federal District of Nevada and elsewhere, defendant STUELKE, did corruptly give, offer, and agree to give a thing of value to any person intending to influence and reward defendant BARAJAS, being an agent of the NCST, an organization that received more than \$10,000.00 of federal funds during each twelve month fiscal year beginning on October 1, 2012 and ending on September 30, 2014, in connection with a transaction and series of transactions of the NCST involving \$5,000 or more.

All in violation of Title 18, United States Code, Section 666(a)(2).

COUNT TWELVE

**Bribery Concerning Programs Receiving Federal Funds
(18 U.S.C. §666(a)(2) and 2)
(DEFENDANTS A. ACOSTA, M. ACOSTA, STUELKE and GARCIA)**

1. The allegations set forth in the Introductory Allegations and Count Three of this Indictment are re-alleged and incorporated herein as if set forth in full.

2. ^{From} On or about October 25, 2013, and continuing through on or about March 14, 2014, in the State and Federal District of Nevada and elsewhere, defendants M. ACOSTA and A. ACOSTA, d/b/a 33 LLC, defendant STUELKE, d/b/a HomeStrong USA, and defendant GARCIA, d/b/a Fine Line Investments, did

1 corruptly give, offer, and agree to give a thing of value to any person intending to
 2 influence and reward **defendant BARAJAS**, being an agent of the NCST, an
 3 organization that received more than \$10,000.00 of federal funds during the twelve
 4 month fiscal year beginning on October 1, 2013 and ending on September 30, 2014,
 5 in connection with a transaction and series of transactions of the NCST involving
 6 \$5,000 or more.

7 All in violation of Title 18, United States Code, Sections 666(a)(2) and 2.

8 **COUNTS THIRTEEN THROUGH FOURTEEN**

9 Bank Fraud
 10 (18 U.S.C. §§ 1344 and 2)
 11 **(DEFENDANTS GARCIA and STUELKE)**

12 1. The allegations set forth in the Introductory Allegations and Count
 13 Three of this Indictment are re-alleged and incorporated herein as if set forth in full.

14 2. From on or about June 28, 2013, and continuing through on or about
 15 March 11, 2014, in the State and Federal District of Nevada and elsewhere,
 16 **defendants STUELKE and GARCIA**, did devise and intend to devise a scheme and
 17 artifice to defraud federally insured financial institutions and to obtain moneys,
 18 funds, credits, assets, securities, and other property owned by and under the custody
 19 and control of a financial institution by means of false and fraudulent pretenses,
 20 representations, and promises.

21 3. On or about the dates identified below, in the State and Federal District
 22 of Nevada, for the purpose of executing and attempting to execute the scheme to
 23 defraud and to obtain money and property, **defendants STUELKE and GARCIA**
 24 did knowingly cause to be submitted to the federally insured financial institutions

1 did knowingly cause to be submitted to the federally insured financial institutions
 2 identified below, settlement and closing statements, and supporting documents
 3 containing materially false and fraudulent pretenses, representations and promises
 4 in order to cause the financial institutions to loan money to fund the purchase of the
 5 properties identified below, with the submission of each settlement and closing
 6 statements, and supporting documents constituting a separate violation of Title 18,
 7 United States Code, Section 1344:

COUNT	DEFENDANT	DATES	PROPERTY	FINANCIAL INSTITUTION
13	STUELKE GARCIA	10/30/13 to 3/11/14	8626 Stark St., Riverside, CA	RPM Mortgage
14	STUELKE GARCIA	7/26/13 to 1/27/14	782 W. 23 rd St., San Bernardino, CA	Augusta Financial, Inc.

14 All in violation of Title 18, United States Code, Sections 1344 and 2.

17 FORFEITURE ALLEGATION ONE

18 Bribery Concerning Programs Receiving Federal Funds and Conspiracy to Commit
 19 Bribery Concerning Programs Receiving Federal Funds

20 1. The allegations contained in Counts One and Four through Nine of this
 21 Criminal Indictment are hereby realleged and incorporated herein by reference for
 22 the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section
 23 981(a)(1)(C) with Title 28, United States Code, Section 2461(c).

1 **BARAJAS AND CASSELL,**

2 defendants herein, shall forfeit to the United States of America, any property, real or
 3 personal, which constitutes or is derived from proceeds traceable to violations of Title
 4 18, United States Code, Section 666(a)(1)(B) and (a)(2), specified unlawful activities
 5 as defined in Title 18, United States Code, Section 1956(c)(7)(D), or Title 18, United
 6 States Code, Section 371, conspiracy to commit such offenses:

7 an in personam criminal forfeiture money judgment including, but not limited
 8 to, at least \$422,969.94 as to BARAJAS and

9 an in personam criminal forfeiture money judgment including, but not limited
 10 to, at least \$1,200,000 as to CASSELL

11 (all of which constitutes property).

12 3. If any property being subject to forfeiture pursuant to Title 18, United
 13 States Code, Section 981(a)(1)(C) with Title 28, United States Code, Section 2461(c),
 14 as a result of any act or omission of the defendants –

- 15 a. cannot be located upon the exercise of due diligence;
- 16 b. has been transferred or sold to, or deposited with, a third party;
- 17 c. has been placed beyond the jurisdiction of the court;
- 18 d. has been substantially diminished in value; or
- 19 e. has been commingled with other property which cannot be divided
- 20 without difficulty;
- 21

22 it is the intent of the United States of America, pursuant to Title 21, United States
 23 Code, Section 853(p), to seek forfeiture of any properties of the defendants for the in
 24

1 personam criminal forfeiture money judgments including, but not limited to, at least
2 \$422,969.94 as to BARAJAS and \$1,200,000 as to CASSELL.

3 All pursuant to Title 18, United States Code, Section 981(a)(1)(C) with Title
4 28, United States Code, Section 2461(c); Title 18, United States Code, Section 371
5 and 666(a)(1) and (a)(2); and Title 21, United States Code, Section 853(p).

6 FORFEITURE ALLEGATION TWO

7 Bribery Concerning Programs Receiving Federal Funds and Conspiracy to Commit
8 Bribery Concerning Programs Receiving Federal Funds

9 1. The allegations contained in Counts Two and Ten of this Criminal
10 Indictment are hereby realleged and incorporated herein by reference for the purpose
11 of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C)
12 with Title 28, United States Code, Section 2461(c).

13 2. Upon conviction of any of the felony offenses charged in Counts Two and
14 Ten of this Criminal Indictment,

15 **BARAJAS, MILLNER, and A. ACOSTA,**

16 defendants herein, shall forfeit to the United States of America, any property, real or
17 personal, which constitutes or is derived from proceeds traceable to violations of Title
18 18, United States Code, Section 666(a)(1)(B) and (a)(2), specified unlawful activities
19 as defined in Title 18, United States Code, Section 1956(c)(7)(D), or Title 18, United
20 States Code, Section 371, conspiracy to commit such offenses:
21

22 an in personam criminal forfeiture money judgment including, but not limited
23 to, at least \$422,969.94 as to BARAJAS;
24

1 an in personam criminal forfeiture money judgment including, but not limited
2 to, at least \$3,000,000 as to MILLNER; and

3 an in personam criminal forfeiture money judgment including, but not limited
4 to, at least \$1,150,000 as to A. ACOSTA
5 (all of which constitutes property).

6 3. If any property being subject to forfeiture pursuant to Title 18, United
7 States Code, Section 981(a)(1)(C) with Title 28, United States Code, Section 2461(c),
8 as a result of any act or omission of the defendants –

- 9 a. cannot be located upon the exercise of due diligence;
- 10 b. has been transferred or sold to, or deposited with, a third party;
- 11 c. has been placed beyond the jurisdiction of the court;
- 12 d. has been substantially diminished in value; or
- 13 e. has been commingled with other property which cannot be divided
14 without difficulty;

15 it is the intent of the United States of America, pursuant to Title 21, United States
16 Code, Section 853(p), to seek forfeiture of any properties of the defendants for the in
17 personam criminal forfeiture money judgments including, but not limited to, at least
18 \$422,969.94 as to BARAJAS; \$3,000,000 as to MILLNER; and \$1,150,000 as to A.
19 ACOSTA.
20

21 All pursuant to Title 18, United States Code, Section 981(a)(1)(C) with Title
22 28, United States Code, Section 2461(c); Title 18, United States Code, Sections 371
23 and 666(a)(1) and (a)(2); and Title 21, United States Code, Section 853(p).
24

FORFEITURE ALLEGATION THREE

Bribery Concerning Programs Receiving Federal Funds and Conspiracy to Commit
Bribery Concerning Programs Receiving Federal Funds

1. The allegations contained in Counts Three and Eleven through Twelve of this Criminal Indictment are hereby realleged and incorporated herein by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) with Title 28, United States Code, Section 2461(c).

2. Upon conviction of any of the felony offenses charged in Counts Three and Eleven through Twelve of this Criminal Indictment,

BARAJAS, STUELKE, M. ACOSTA, A. ACOSTA, and GARCIA,
defendants herein, shall forfeit to the United States of America, any property, real or personal, which constitutes or is derived from proceeds traceable to violations of Title 18, United States Code, Section 666(a)(1)(B) and (a)(2), specified unlawful activities as defined in Title 18, United States Code, Section 1956(c)(7)(D), or Title 18, United States Code, Section 371, conspiracy to commit such offenses:

an in personam criminal forfeiture money judgment including, but not limited to, at least \$422,969.94 as to BARAJAS;

an in personam criminal forfeiture money judgment including, but not limited to, at least \$6,000,000 as to STUELKE;

an in personam criminal forfeiture money judgment including, but not limited to, at least \$250,000 as to M. ACOSTA;

an in personam criminal forfeiture money judgment including, but not limited to, at least \$1,150,000 as to A. ACOSTA; and

1 an in personam criminal forfeiture money judgment including, but not limited
 2 to, at least \$193,000 as to GARCIA
 3 (all of which constitutes property).

4 3. If any property being subject to forfeiture pursuant to Title 18, United
 5 States Code, Section 981(a)(1)(C) with Title 28, United States Code, Section 2461(c),
 6 as a result of any act or omission of the defendants –

- 7 a. cannot be located upon the exercise of due diligence;
- 8 b. has been transferred or sold to, or deposited with, a third party;
- 9 c. has been placed beyond the jurisdiction of the court;
- 10 d. has been substantially diminished in value; or
- 11 e. has been commingled with other property which cannot be divided
 12 without difficulty;

13 it is the intent of the United States of America, pursuant to Title 21, United States
 14 Code, Section 853(p), to seek forfeiture of any properties of the defendants for the in
 15 personam criminal forfeiture money judgments including, but not limited to, at least
 16 \$422,969.94 as to BARAJAS; \$6,000,000 as to STUELKE; \$250,000 as to M.
 17 ACOSTA; \$1,150,000 as to A. ACOSTA; and \$193,000 as to GARCIA.

18 All pursuant to Title 18, United States Code, Section 981(a)(1)(C) with Title
 19 28, United States Code, Section 2461(c); Title 18, United States Code, Sections 371
 20 and 666(a)(1) and (a)(2); and Title 21, United States Code, Section 853(p).
 21
 22
 23
 24

FORFEITURE ALLEGATION FOUR

Bank Fraud

1. The allegations contained in Counts Thirteen through Fourteen of this Criminal Indictment are hereby realleged and incorporated herein by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) with Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 982(a)(2)(A).

2. Upon conviction of any of the felony offenses charged in Counts Thirteen through Fourteen of this Criminal Indictment,

GARCIA and STUELKE,

defendants herein, shall forfeit to the United States of America, any property, real or personal, which constitutes or is derived from proceeds traceable to violations of Title 18, United States Code, Section 1344, or a conspiracy to commit such offense:

defendants herein, shall forfeit to the United States of America, any property constituting, or derived from, proceeds obtained directly or indirectly, as the result of violations of Title 18, United States Code, Section 1344, affecting a financial institution, or a conspiracy to violate such offense:

an in personam criminal forfeiture money judgment including, but not limited to, at least \$193,000 as to GARCIA and

an in personam criminal forfeiture money judgment including, but not limited to, at least \$6,000,000 as to STUELKE

(all of which constitutes property).

1 an in personam criminal forfeiture money judgment including, but not limited
2 to, at least \$6,000,000 as to STUELKE
3 (all of which constitutes property).

4 3. If any property being subject to forfeiture pursuant to Title 18, United
5 States Code, Section 981(a)(1)(C) with Title 28, United States Code, Section 2461(c)
6 and Title 18, United States Code, Section 982(a)(2)(A), as a result of any act or
7 omission of the defendants -

- 8 a. cannot be located upon the exercise of due diligence;
9 b. has been transferred or sold to, or deposited with, a third party;
10 c. has been placed beyond the jurisdiction of the court;
11 d. has been substantially diminished in value; or
12 e. has been commingled with other property which cannot be divided
13 without difficulty;

14 it is the intent of the United States of America, pursuant to Title 21, United States
15 Code, Section 853(p), to seek forfeiture of any properties of the defendants for the in
16 personam criminal forfeiture money judgments including, but not limited to, at least
17 \$193,000 as to GARCIA and \$6,000,000 as to STUELKE.
18

19 All pursuant to Title 18, United States Code, Section 981(a)(1)(C) with Title
20 28, United States Code, Section 2461(c); Title 18, United States Code, Section
21
22
23
24

1 982(a)(2)(A); Title 18, United States Code, Section 1344; and Title 21, United States
2 Code, Section 853(p).

3
4 **DATED:** this 26th day of September, 2017.

5 **A TRUE BILL:**

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7 */S/*
8 **FOREPERSON OF THE GRAND JURY**

9 **STEVEN W. MYHRE**
10 **Acting United States Attorney**

11 
12 **LISA C. CARTIER GIROUX**
13 **Assistant United States Attorney**